

State OPENING OF BIDS

Confidential Bid Information

One person for each property where sealed bids are received shall be designated responsibility for the custody of timber sale bids received. Prior to the time set for the opening of bids, the custodian should assure that information as to the number of bids received, or whether any bids have been received, should not be released. However, upon request from a bidder, receipt of the sealed bid may be acknowledged.

Prior to the time for opening bids, no Department of Natural Resources employee having knowledge of any bid submitted should make any statement to anyone concerning it, except that receipt may be acknowledged to the bidder, if requested. Verbal statements of Intent to bid, whether or not including the prices, should also not be released.

Opening Bids

1. Sort bids by tract number.
2. Check for accuracy and completeness.
3. Read in numerical order and announce the high bid.

Three employees of the Department of Natural Resources should be present at the opening of bids. As bids are opened they should be checked for proper deposit, mathematical accuracy and sorted by tract. Form 2400-6, Timber Sale Award, shall be filled out listing the people in attendance. All bids should be recorded by species, product, amount, value, and bidder. One copy of this form will be filed at the field station along with the original bids.

High bid will be announced for each tract. It may also be stated that bids will be checked further and evaluated and that awarding of contracts will be made within two weeks.

Tie Bids

In the event of tie bids, the bidders should be offered opportunity to withdraw. If none wish to do so, the person in charge of bid opening may request the bidders to: (1) submit another sealed bid; (2) draw lots; (3) flip a coin; or if they decline, (4) readvertise the sale at a later date.

Variable Utilization Bid

Bids for whole tree or to a smaller bole diameter (increased utilization) will be accepted.

Volume estimates by utilization (species and diameter) classes will be listed for each sale on which increased utilization bids will be accepted.

Each bidder must indicate the utilization for which he is bidding by species and product. The indicated utilization basis on the successful bid will become the utilization specification on the contract and utilization to this specification must be shown.

Bidding will be on a cordwood equivalent basis. All wood harvested from the sale must be accounted for and payment made. An aggregate weight per cord may be developed and used when different species are scaled together. Weight conversion rates must be shown.

Bids for both variable utilization sales and standard utilization sales must include bid prices per unit for each species and product. Therefore, it is recommended that the prospectus include:

1. Estimated volumes in cords, cord equivalents, board feet, or product.
2. Advertised value per unit.
3. Total advertised value of sale.

Minimum Acceptable Bid

All bids must be by species on a per-unit basis. Acceptable bids must meet or exceed the total combined advertised value of all species. However, a bid will be rejected if any individual species/product bid is less than 50% of the base stumpage rate for the property unless the advertised value for the species/product is lower than that amount. If that is the case then the advertised value becomes the minimum acceptable bid by species/product.

The timber sale prospectus for state lands will not use the term "minimum acceptable" species values. Instead, values for individual species may be listed and described as "Advertised Values".

Listing of a minimum advertised value on a sale prospectus is not required.

Rejection of High Bid

The Department may reject high bid on a timber sale "for cause." This is unusual. The Department must not only insure that the highest price is obtained but also that an adequate performance is completed. This entails consideration of not only the dollar value of the bid but also responsibility and dependability of the bidder. If practical, contractors who are deemed ineligible to bid should be notified of this prior to the bid opening.

Bids below minimum advertised price will be rejected. In addition, the following characteristics of the bidder can be "cause" for rejecting a high bid when supported by factual evidence. This list is not all-inclusive. Other reasons for "cause" may apply.

- Notorious or habitual carelessness with fire
- Failure to properly complete previous contracts
- Evidence of financial insecurity
- Habitual damage to sale areas

Evidence of such bidder characteristics should be in the form of written records. The Department must exercise this discretion in good faith in the interest of the public not from motives of personal favoritism or ill will.

Rejection of any high bid requires approval of the Bureau of Legal Services. Continued rejection of a high bid for cause shall not exceed a period of two years for a contractor. A bidder may be reinstated when there is evidence that the problem has been corrected. If a high bid is rejected, a 30-day time period (from notice to the high bidder) must pass before the bid is awarded to the second highest bidder.

Rejection of Bids Below the Minimum Advertised or Appraised Value

Bids will be rejected and sales will not be approved where the total sale bid value is less than the advertised value on advertised sales or less than the appraised value on direct sales.